GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:100
ANSWERED ON:29.04.2016
Government Stake in PSBs
Patil Shri Vijaysinh Mohite;Sule Smt. Supriya Sadanand

Will the Minister of FINANCE be pleased to state:

a) whether the Government proposes to privatise/bring down its share in the Public Sector Banks (PSBs);
(b) if so, the details thereof, bank-wise including Industrial Development Bank of India;
(c) whether the Government has consulted various stakeholders including bank's unions in this regard and if so, the details thereof; and
(d)the steps taken by the Government to give more powers to banks to recover dues from wilful defaulters?

Answer

The FINANCE MINISTER

(a) to (d): A Statement is laid on the Table of the House.
****

STATEMENT FOR LOK SABHA STARRED QUESTION NO. *100 FOR 29th APRIL, 2016 REGARDING GOVERNMENT STAKE IN PSBs TABLED BY SHRIMATI SUPRIYA SULE & SHRI MOHITE PATIL VIJAYSINH SHANKARRAO, MEMBERS OF PARLIAMENT.
(a) to(c):After deliberations, the Public Sector Banks(PSBs) including IDBI Bank have been allowed vide letter no. F.No. 11/7/2008-BOA dated 19.12.2014 to raise capital from Public markets through Follow-on Public Offer(FPO) or Qualified Institutional Placement(QIP) by diluting Government of India holding upto 52% in phased manner based on their capital requirement, their stock performance, liquidity, market conditions etc. The details regarding the banks which have been permitted for raising capital post this decision are at Annex.
(d): Reserve Bank of India (RBI) has issued guidelines (July 1, 2015, available on RBI's website) on wilful defaulters to dis-incentivize borrowers who have money and do not pay or have diverted or siphoned off funds or removed assets given as security, indicating action that includes; (i) restricting additional facilities to such defaulters from banks and financial institutions, (ii) barring of such borrowers from institutional finance, (iii) criminal action, (iv) removal of directors of such companies from boards and (v) change in management.
******